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TRADE AND DEVELOPMENT BOARD

Intergovernmental Working Group of
Experts on International Standards
of Accounting and Reporting
Fourteenth session
Geneva, 1 July 1996

Item 2 of the provisional agenda

PROVISIONAL AGENDA AND ANNOTATIONS FOR THE FOURTEENTH SESSION OF THE WORKING GROUP

I. PROVISIONAL AGENDA

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2. Adoption of the agenda and organization of work

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   (a) Oral report on national surveys on reasons for non-compliance with international standards of accounting and reporting and recommendations, based on the surveys, to remedy deficiencies;
   (b) Oral report on transfer pricing methods and current practices;
   (c) Oral report on accounting developments at the global level;
   (d) Oral report on the proposed subgroups on global qualification standards for accountants (including accounting technicians) and on a professional accreditation system based on global qualification standards;
   (e) Oral report on follow-up activities relating to topics considered at the Group's thirteenth session

6. Provisional agenda for the fifteenth session of the Group

7. Adoption of the report of the Working Group on its fourteenth session.

II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1. **Election of officers**

It is suggested that the Intergovernmental Working Group of Experts elect a Chairman, 5 Vice-Chairmen and a Rapporteur, in accordance with rules 18 and 19 of the rules of procedure of the main Committees of the Board. [1]

Item 2. **Adoption of the agenda and organization of work**

The provisional agenda for the fourteenth session was approved at the closing plenary meeting of the thirteenth session of the Intergovernmental Group of Experts, on 17 March 1995.

Concerning the organization of the work of the session, the Group has five working days available. It is therefore suggested that the first plenary meeting, on 1 July, be devoted to procedural matters (items 1 and 2), general statements and consideration of item 3. Subsequent meetings (i.e. from the afternoon of Monday 1 July to the close of the afternoon meeting on Wednesday 3 July) will be devoted to the accounting and reporting topics (items 3 to 5), including details of follow-up activities since the previous session including the on-going liaison between the secretariat and the World Trade Organization's Working Party on Professional Services and the proposed system for accreditation of accountancy qualifications, the ad hoc meeting (which took place in Geneva during the period 6 - 8 December 1995) on environmental accounting. On Thursday 4 July a special forum on the bankers' views on disclosure and accounting-related matters will take place. The last plenary meeting, on Friday 5 July, would be devoted to items 6 and 7.

The secretariat will prepare a tentative sequence of issues to be dealt with by the meeting which will be available on the first day.

Item 3. **Accounting and reporting by commercial banks, including disclosures on bank structures and related party disclosures, and on the appointment and rotation of auditors**

The management and accountants of commercial banks have come under criticism as a consequence of the increasing number of incidents of failure and/or severe financial difficulties. The report on this item investigates the various aspects of disclosure by commercial banks and considers the special nature of bank audits. Deregulation of the banking industry has resulted in a shift of commercial activity towards increasingly speculative and complex transactions which can have a significant impact upon the financial results of banks. Current accounting and reporting standards and guidelines are considered within the report.

Documentation

TD/B/ITNC/AC.1/9 Commercial banking accounting and disclosures

Item 4. **Accounting for government concessions**

The report describes the various types of government concessions and other forms of governmental assistance, privileges and benefits and how they should be accounted for and disclosed within financial statements. Currently, there are no international accounting standards specifically on this topic. However, the International Accounting Standards Committee has issued International Accounting Standard IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance". The Group has already discussed accounting for government grants during its twelfth session and reconfirmed its earlier guidance. It decided to take up the issue of "concessions" as distinct from "grants" at a future session.

Documentation

TD/B/ITNC/AC.1/8 Accounting and reporting for government concessions

Item 5. **Other business**

Listed under "Other business" are a number of diverse topics, some of a substantive nature and others of a follow-up nature on the ongoing activities of the Working Group. Each of these topics is briefly described below.

(a) **Oral report on national surveys on reasons for non-compliance with international standards of accounting and reporting and recommendations, based on the surveys, to remedy deficiencies**

Documentation

TD/B/ITNC/AC.1(XIV)/CRP.1 Compliance with international accounting standards

This paper is the draft Chapter VI of the forthcoming publication *International Accounting and Reporting Issues: 1995 Review*. The paper is based upon a survey designed to identify reasons why national accounting standards do not comply with international ones. A number of causes are noted such as differences in legal and taxation systems and the different uses for financial statements.

(b) **Oral report on transfer pricing methods and current practices**

Documentation

TD/B/ITNC/AC.1(XIV)/CRP.2 Transfer pricing regulations and transnational corporation practices: guidance for developing countries

This paper is the draft Chapter IV of the forthcoming publication *International Accounting and Reporting Issues: 1995 Review*. The paper describes transfer pricing, particularly methods for detecting the extent of transfer pricing and the practices of various countries in dealing with it. Recommendations are made for improving these methods and practices particularly form the point of view of the accounting information needed by home and host governments.

(c) **Oral report on accounting developments at the global level**

Documentation

TD/B/ITNC/AC.1(XIV)/CRP.3 Accountancy developments at the global level

This paper is the draft Chapter I of the forthcoming publication *International Accounting and Reporting Issues: 1995 Review*. This periodic review includes the most significant issues on standard-setters' agendas and discusses the approaches being taken to deal with them.

(d) **Oral report on the proposed subgroups on global qualification standards for accountants (including accounting technicians) an on a professional accreditation system based on global qualification standards**

The secretariat will report to the Group on activities of the Working Party on Professional Services of the World Trade Organization and its relationship with UNCTAD. Furthermore, the secretariat has considered the feasibility of developing the global qualification and reports that such a task remains useful and the work has commenced.

(e) **Oral report on follow-up activities relating to topics considered at the Group's thirteenth session**

Documentation

TD/B/ITNC/AC.1(XIV)/CRP.4 Current developments in environmental accounting

This paper is the draft Chapter V of the forthcoming publication *International Accounting and Reporting Issues: 1995 Review*. The chapter describes various aspects of environmental accounting including the guidelines and standards which have been prepared by various accountancy bodies around the world. An ad hoc session of the Group was held in Geneva from 6 to 8 December 1995 to review this paper. The report of the session is included within this paper as the conclusion.

Lastly, at the request of the Working Group, the secretariat has organized a forum on the bankers' view on disclosure and accounting-related matters by commercial banks. Five experts from the banking community will serve as panellists for this one-day session.

Item 6. **Provisional agenda for the fifteenth session of the Working Group**

The provisional agenda for the fifteenth session must be approved during the fourteenth session. The Working Group may wish to consider the recommendations made for further work by the ad hoc session and the contents of document TD/B/ITNC/AC.1(XIV)/CRP.4 previously described.

Item 7. **Adoption of the report of the Working Group on its fourteenth session**

The Working Group will report to the Commission on Investment, Technology and Related Financial Issues at its first session.

Notes

1. UNCTAD, Rules of Procedure of the main Committees of the Trade and Development Board, (TD/B/740), United Nations, New York, 1979.

2. TD/B/ITNC/AC.1/6